

**Washington State Economic Development Commission
Regular Meeting
September 18, 2008
Seattle, WA**

ATTENDANCE

Commissioners:

Bacon, Connie
Bender, Rick
Bonanzino, Anthony
Breese, Jack
Gardner, John
Kastama, Jim
Kendall, Bruce
Kenney, Phyllis Gutierrez
Knutzen, Roger
Papadakis, Eleni
Van Ausdle, Steven

Commission Staff

Egils Milbergs
Noreen Hoban

Call to Order

Prior to the convening of the full Washington Economic Development Commission Meeting, the Strategy & Collaboration, Infrastructure, Innovation & Investment and Talent and Workforce Working Groups met. Vice-chair, Dr, Steven Van Ausdle, then called the Washington Economic Development Commission meeting of September 18, 2008 to order. The meeting was held in Room 185A&B, Walla Walla Community College, Walla Walla, WA.

Approval of Minutes

The meeting minutes of August 14, 2008 were approved.

Executive Director's Financial Report for Fiscal Year End 2008

Financial Report – The commission expenditure report for the first two months of fiscal year end 2008 was presented and reviewed. It was requested that the format be adjusted to reflect encumbrances. Commissioner's reviewed a breakdown of HR 1091 Allotment of Funds anticipated for the FY2009 as it relates to the STARs Program funds. The Commission also examined the budget submittal package for the FY 2010 – 2011 which has been presented to the Office of Fiscal Management and based on the Commissions August 14, 2008 maintenance plus scenario.

The Sr. Policy Advisor position is critical to the success of the Commission accomplishing the legislatively mandated objectives and deadlines. The Commission requested an exception from the hiring freeze for this position. It was moved, seconded and unanimously approved that the commission write a letter to the governor requesting immediate funding for the Sr. Policy Advisor position, and authorization for interim personal services contract(s) as necessary to facilitate the analysis, trend data, and development of the WA Economic Development Strategic Plan scheduled for January, 2009.

Governor's Letter, Progress Report and Timeline - The Executive Director presented a letter prepared by the Commission Chair updating the Governor on the last six months progress attained by the WEDC and an updated WEDC Task Timeline identifying major milestones to be accomplished by December 31, 2008 by WEDC.

Calendars of Regular Meetings

- 2008 - A calendar of the remaining WEDC Commission meetings for the calendar year of 2008 was presented. Discussion followed about the opportunity of the Commission meeting local representatives from each of the areas where the meeting is held. Commissioners decided to hold the November meeting in Vancouver with a reception on the evening of November 12th in Vancouver with local representatives from the private, philanthropic and public sectors.
- 2009 – Agreed to full commission meetings quarterly and working group meetings on the other two months of each quarter.
 - March 10, 2009 – Olympia, WA
 - June 9, 2009 – Spokane, WA
 - September 8, 2009 – Yakima, WA
 - December 8, 2009 – Seattle, WA

Working Groups will establish their meeting dates. Meetings will be held in second week, in each of the first two months of every quarter.

An updated package of travel reimbursement instructions will be sent to the Commissioners.

Strategic Working Groups Updates

Talent and Workforce Group – Focus the state education on remaining competitive in attracting and retaining talent, improving success in growing our own talent – both of which can be used to create opportunity to narrow disparity gap (income, skill, and other criteria).

- Create/reinvent a culture of discovery and learning that demonstrates link between education and the workplace
- Break stereotypes of blue and white collar job opportunities – middle skills and up-skilling the current workforce represent the greatest opportunities.

- Remove barriers to access and exit/entry among apprenticeship, training and educational systems of lifelong learning. Focus on the quality of education for workers as they enter/reenter the workplace. Particular attention must be paid to get industry guidance on what metrics make sense to track to validate the success of the programs.

Investment & Entrepreneurialship Group

- Innovation is seen as an overarching goal of the WEDC so the group has voted to change the name of the Working Group to Innovation and Entrepreneurship Working Group.
- In any innovation process, whether from R&D at the university level or in a corporation, ideas need to be taken across the “Valley of Death” to be commercialized. STARs program can be used as an example of how a project can be leveraged and a strategy formulated to capitalize on ideas from multiple sectors.
- Additionally, how can the private sector guide the selection of products and provide funding. As an example, if there are viable, innovative ideas in the STARs program, how do they move from concept to the marketplace
- IPZs have accepted 2 additional designation submittals; CTED has submitted the IPZ program as an incremental \$5MM capital budget request for FY2010-FY2011. The Investment & Entrepreneurship WG is looking at the links between the STARs and IPZ programs.
- The WEDC is charged to provide advice to both the IPZs and the STARs programs. The Working Group will broaden the participants to include additional members when doing the work required for advising these groups. The group will generate recommendations that will be examined by the full Commission. The Commission moved, seconded and passed the motion to allow this group to expand its membership and duties to accomplish these tasks.
- Innovation Awards white paper was presented to the Strategy & Collaboration Working Group for consideration to incentivize innovation.

Infrastructure

- Understanding how we move goods, ideas and people while,
 - Lowering transportation costs
 - Addressing information needs
 - Reducing transaction costs
- The infrastructure group will be bringing in outside experts
- Infrastructure will respond and support the other strategic working groups
- No matter what it is, the infrastructure has to be in place where people can stay healthy, can get to jobs, where the energy is affordable and efficient. Where those elements don’t reduce productivity or add cost, infrastructure must be accessible.

Strategy and Collaboration

- A revised outline for the WEDC was presented by the Executive Director. The Strategic report will be divided into 4 areas:
 - Where We Stand: Washington's Current Competitive Position
 - Where We Want to Go: Strategic Vision and Goals
 - How Will We Get There: Key Actions for Realizing Our Vision
 - How Will We Measure Success – Implementing the Strategy
- The Commission discussed a white paper "Innovation Measurement System" The paper recommends developing a real time innovation performance system to better inform policy makers and the public on the determinants, outcomes and effectiveness of the of the state's economic development system.
- The WEDC discussed the need for a process for considering outside recommendations to the Commission and agreed that the topic would be further considered at another meeting.
- Lee Cheatham, Executive Director, Washington Technology Center, presented a snapshot of where, "Washington Stands" as a baseline for the Commissioners to begin the process composing the first section of the WA Economic Development Strategic Report. Mr. Cheatham indicated that a more thorough analysis would be used in combining the materials that had been commissioned by the WEDC and the work that had already been done by WTC and throughout the state.

Luncheon – Dave Porter, Regional Economic Development Representative, US Department of Commerce – Economic Development Administration provided an update of the work of the REDR in Washington and Oregon. WEDC is an eligible entity for receiving EDA funds in support of the states economic development strategy.

Next Meeting will be at Burlington, October 9, 2008

(Note: the meeting location at commissioner request was subsequently changed to Leavenworth, WA)

Adjournment

The Commission was adjourned at 1:00 PM